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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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10/730,948

12/10/2003

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11884/407001

6307

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7590

11/14/2008

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EXAMINER

DANNEMAN, PAUL

ART UNIT

PAPER NUMBER

3627

MAIL DATE

DELIVERY MODE

11/14/2008

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/730,948	Applicant(s) SCHAEFER ET AL.	
	Examiner PAUL DANNEMAN	Art Unit 3627	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 02 September 2008.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-4 and 6-20 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-4 and 6-20 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Continued Examination Under 37 CFR 1.114

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 2 September 2008 has been entered.

Status of the Claims

2. This action is in response to the final office action filed on 2 September 2008.
3. Claim 5 has been canceled.
4. Claims 1, 4, 6, 14, and 17 have been amended.
5. Claims 19 and 20 have been added.
6. Claims 1-4 and 6-20 are pending in this application and have been examined.

Response to Arguments

7. Regarding the rejection under 35 U.S.C. § 102(b) of Claims 1-18. ***“Further, the “SAP comment” section states: “It would make sense to unify the systems reaction to processes which do not finally lead to payments.”*** Applicant argues that the previous statement is not the claimed invention. However, Applicant does not precisely state how the use of the existing RIB rules is different from the claimed invention which is clearly a disclosure of how a RIB rule operates in response to a new transaction. With regards to the new limitations related to ***“values in the expenditure budget data structure balance with value in the revenue data structure.”*** The rejection of these limitations is handled in the next section.

8. **Applicant further argues that the HERUG (item seven) disclosure of the 3 then-current RIB rules and the request to change how the 3 RIB rules work is not the presently claimed invention.**

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MPEP 2133.03 [R-5] Rejection Based on "Public Use" or "On Sale" 35 U.S.C. § 102(b). It should be noted that 35 U.S.C. 102(b) may create a bar to patentability either alone, if the device is in public use or placed on sale anticipates a later claimed invention, or in conjunction with 35 U.S.C. 103, if the claimed invention would have been obvious from the device in conjunction with the prior art. *LaBounty Mfg. v. United States Int'l Trade Comm'n*, 958 F.2d 1066, 1071, 22 USPQ2d 1024, 1028 (Fed Cir 1992). The disclosure of RIB (Revenue Increasing Budget) rules clearly allows one of ordinary skill in the art to anticipate any additional rules which would be used to deal with specific revenue changes that result in the increase of a particular revenue or expenditure budget.

9. **Applicant's arguments regarding Claims 1, 4, 6, 14 and 17 are moot as these claims have been amended and there is a new ground of rejection.**

10. **Applicant arguments regarding the dependent Claims 2, 3, 7-13, 15-16, and 18 are moot as these claims depend from claims that have been amended.**

Claim Rejections - 35 USC § 101

11. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

12. **Claims 1-4 and 6-13** are rejected under 35 U.S.C. 101 based on Supreme Court precedent, and recent Federal Circuit decisions, a §101 process must:

(1) be tied to another statutory class (such as a particular apparatus) or

(2) transform underlying subject matter (such as an article or materials) to a different state or thing. *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876).

An example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps. Thus, to qualify as a § 101 statutory process, the claim should positively recite the other statutory class (the thing or product) to which it is tied for example by identifying the

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apparatus that accomplished the method steps, or positively recite the subject matter that is being transformed, for example by identifying the material that is being changed to a different state.

Here, applicant's method steps, fail the first prong of the new Federal Circuit decision since they are not tied to another statutory class and can be performed without the use of a particular apparatus. Thus, **Claims 1-4 and 6-13 are non-statutory.**

Claim Rejections - 35 USC § 102

13. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

14. **Claims 1-4, 6-20** are rejected under 35 U.S.C. 102(b) based upon a public use or sale of the invention. Reference the 2000 Development Requests at HERTUG (Higher Education and Research Institutions) held in Toronto and <http://web.mit.edu/her/devreq/votedevreq00.htm>, item number 7 regarding the SAP FM module and requests from the user community on improving / expanding RIB functionality.

Claim Rejections - 35 USC § 103

15. **Claims 1, 4, 6, 14 and 17** are rejected under 35 U.S.C. 103(a) as being unpatentable over PowerPoint slide presentation regarding, Introduction to Management Accounting 12/e, Horngren/Sundem/Stratton, 2002, Prentice Hall Business Publishing here forth known as (Prentice) in view of Berka, US 6,275,813 B1 and further in view of Kim, US 7,131,579 B2.

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Claims 1, 6, and 14:

With regard to the limitation of a budgetary management method:

- ***Responsive to a new transaction of a revenue item.***
- ***Executing a RIB rule to determine an increase to expenditure budget***
- ***Storing the budget increase in the expenditure budget.***

Prentice in at least Chapter 8, slides 8-1 through 8-9 discloses a Flexible Budget being compared to a Static or Master budget, the comparison commonly referred to, in the Accounting Arts, as Variance Analysis and classifying the variance. Therefore, it would have been obvious, at the time of the invention, to a person of ordinary skill in the art to modify Prentice's budget variance analysis where revenues are favorable with an organizational operating rule allowing certain favorable balances to positively affect expense budgets (Flexible budgets) with the motivation of improving the use of variance analysis to gauge the performance of an organization.

Kim in at least Column 5, lines 56-63 discloses an accounting process (Journalizing) for recording transaction in business activities of an enterprise. Kim in at least Column 6, lines 40-43 further discloses a revenue (income) transaction that results in profit of the enterprise and an expense transaction that accompanies a profit decrease. Therefore, it would be obvious, at the time of the invention, to a person of ordinary skill in the art to combine Prentice's variance analysis and the classification of those variances in accordance with an organization's Standard Operating Procedure regarding variances, with Kim's method for journalizing revenue and expenses with the motivation of being able to track and verify each expense and revenue as it is posted to an account.

- ***Storing the budget increase in a revenue budget such that value in the expenditure budget balance with value in the revenue budget.***

Prentice in at least Slide 8-5 discloses an imbalance between expenses (planned versus actual) which results in a variance. Berka in at least Column 1, lines 12-19 discloses a computerized system of double-entry financial accounting and, in particular, to a method of entering data from financial transactions into a computer program that posts the entered information according to the

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known accounting theory of debit and credit. Berka further discloses that in accounting the term “posting” means transferring the debits and credits (expenses and revenue) from the journal to the general ledger. Kim in at least Column 3, lines 63-67 and Column 4, lines 1-55 discloses a journalizing method matching accounts of debit and/or credits with each of the plurality of transaction outlines to obtain account-matched transaction outlines having transaction classification codes. Kim in at least Column 5, lines 56-67 further discloses that the double-entry book-keeping principle is based on balancing the debits with the credits and the amounts of each debit and credit.

It would have been obvious to one of ordinary skill in the art at the time of the invention to include the journalizing system of Kim with the computerized double entry accounting system as taught by Berka with Prentice’s flexible budget variance analysis, since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

Claims 4 and 17:

With regard to the limitation:

- ***Storing a revenue item in a database each with a marker indicating if it was generated from a RIB rule.***

Prentice is somewhat silent on the use of a database entry with an associated marker. However, Berka in at least Column 1, lines 12-19 discloses a computerized system of double-entry financial accounting and, in particular, to a method of entering data from financial transactions into a computer program that posts the entered information according to the known accounting theory of debit and credit. Berka further discloses that in accounting the term “posting” means transferring the debits and credits (expenses and revenue) from the journal to the general ledger. Berka in at least Column 1, lines 49-67 further discloses that any financial transaction can be defined by a

single posting record that includes, apart from its reference number, date, currency and monetary amount, a categorical code which consists of a destination category and a source category. Berka in at least Column 5, lines 18-30 further discloses the desirability to divide each accounting category into a number of different account classes (according to budget class names, for example).

Kim in at least FIG.3, Column 3, lines 63-67 and Column 4, lines 1-55 discloses a journalizing method matching accounts of debit and/or credits with each of the plurality of transaction outlines to obtain account-matched transaction outlines having transaction classification codes. Kim in at least Column 5, lines 56-67 further discloses that the double-entry book-keeping principle is based on balancing the debits with the credits and the amounts of each debit and credit. Kim in at least FIG.2 and Column 7, lines 63-67 discloses an account list database where information regarding debit and credit accounts and their respective codes are listed. Kim in at least Column 8, lines 1-20 further discloses a transaction outline database where information containing 'account-matched transaction outlines having classification codes' obtained through a series of process of preparing and determining a plurality of transaction outlines, matching the accounts of debits/credits stored in the account list information database. Kim in at least Column 8, lines 4-39 further discloses that the journalizing system determines accounts of debits/credits corresponding to the transaction outline selected and stores the annotated (classification code FIG.4) accounting information in the accounting information database.

- ***Storing an expenditure item in a database, so that the revenue budget items balance with the expenditure budget items.***

Prentice is somewhat silent on the use of a database entry for storing expenditure and revenue items in a balanced manner. However, Berka in at least Column 1, lines 12-19 discloses a computerized system of double-entry financial accounting and, in particular, to a method of entering data from financial transactions into a computer program that posts the entered information according to the known accounting theory of debit and credit. Berka further discloses that in accounting the term "posting" means transferring the debits and credits (expenses and

revenue) from the journal to the general ledger. Berka in at least Column 1, lines 20-31 discloses that debiting an account increases assets or expenses, whereas crediting an account decreases assets or expenses and increases liabilities or income.

- ***Retrieving Expenditure and Revenue value from storage.***
- ***Comparing the Expenditure and Revenue values of only those values, which have not been marked in a manner to exclude them from certain calculations.***

Prentice is silent on retrieving expenditure and revenue values from storage. However, Prentice in at least Chapter 8, slides 8-12 through 8-22 discloses the performance evaluation and computing the variance of a flexible-budget revenue related activity. Prentice in at least Chapter 8, slides 8-23 through 8-42 further discloses evaluating the expenditure side of the budget using variance analysis and determining the classification of the variance.

Berka in at least Column 1, lines 12-19 discloses a computerized system of double-entry financial accounting and, in particular, to a method of entering data from financial transactions into a computer program that posts the entered information according to the known accounting theory of debit and credit. Berka further discloses that in accounting the term “posting” means transferring the debits and credits (expenses and revenue) from the journal to the general ledger. Berka in at least Column 1, lines 20-31 discloses that debiting an account increases assets or expenses, whereas crediting an account decreases assets or expenses and increases liabilities or income. Kim in at least Column 8, lines 4-39 further discloses that the journalizing system determining accounts of debits/credits corresponding to the transaction outline selected and storing the annotated (classification code FIG.4) accounting information in the accounting information database.

It would have been obvious to one of ordinary skill in the art at the time of the invention to include the journalizing system with transaction classification codes of Kim with the computerized double entry accounting system as taught by Berka with Prentice’s flexible budget variance analysis, since the claimed invention is merely a combination of old elements, and in the combination each

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element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

Claims 19 and 20:

Claims 14 and 17 from which **Claims 19 and 20** depend from are rejected under Prentice, Berka and Kim as applied above. With regard to the following limitations:

- ***Comparing the expenditure budget values and the revenue budget values to determine if the values therein are in balance.***

Prentice is somewhat silent on the use of a database entry for storing expenditure and revenue items in a balanced manner. However, Berka in at least Column 1, lines 12-19 discloses a computerized system of double-entry financial accounting and, in particular, to a method of entering data from financial transactions into a computer program that posts the entered information according to the known accounting theory of debit and credit. Berka further discloses that in accounting the term “posting” means transferring the debits and credits (expenses and revenue) from the journal to the general ledger. Berka in at least Column 1, lines 20-31 discloses that debiting an account increases assets or expenses, whereas crediting an account decreases assets or expenses and increases liabilities or income.

- ***Comparing the expenditure budget data with the revenue budget data to determine if values are in balance.***

Prentice in at least Chapter 8, slides 8-12 through 8-22 discloses the performance evaluation and computing the variance of a flexible-budget revenue related activity. Prentice in at least Chapter 8, slides 8-23 through 8-42 further discloses evaluating the expenditure side of the budget using variance analysis and determining the classification of the variance (favorable or unfavorable).

16. **Claims 2-3, 7-13, 15-16, and 18** are rejected under 35 U.S.C. 103(a) as being unpatentable over Prentice, Berka and Kim as applied to **claims 1, 4, 6, 14 and 17** above, and further in view of Peterson, US 6,073,108.

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Claims 2, 3, 7, 8, 9, 15, 16, and 18:

Prentice discloses the limitations as shown in the rejections above. Prentice does not disclose the following limitations:

- ***Properly storing and marking revenue budget increases per accounting rules.***
- ***Properly storing and marking expenditure budget increases per accounting rules.***

Peterson in at least Column 2, lines 20-34 discloses a task-based classification and analysis system and analysis software with a user interface for analyzing revenues and expenditures based on predetermined relationships and a plurality of hierarchical task lists. Peterson in at least Fig.1 and Column 3, lines 21-34 further discloses the analysis system and software maintaining relationships between a plurality of databases. It would have obvious, at the time of the invention, to a person of ordinary skill in the art to modify Peterson with the flexible budget and variance analysis of Prentice to provide a budgetary software analysis system for analyzing business budgets.

Claims 10-13:

Prentice discloses the limitations as shown in the rejections above. Prentice does not disclose the following limitations:

- ***Report generator for particular revenue budget items.***

Peterson in at least Column 2, lines 35-44 discloses an analysis software module for building task-based budgets and coordinating relationships between a plurality of task lists and further discloses in at least Column 4, lines 62-64 the system collecting and utilizing historical data from another software module for generating related reports. It would have obvious, at the time of the invention, to a person of ordinary skill in the art to modify Peterson with the flexible budget and variance analysis of Prentice to provide a budgetary software analysis system for analyzing business budgets and producing the interrelated budgetary analysis reports.

Conclusion

17. Any inquiry concerning this communication or earlier communications from the examiner should be directed to PAUL DANNEMAN whose telephone number is (571)270-1863. The examiner can normally be reached on Mon.-Thurs. 6AM-5PM Fri. off.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Florian Zeender can be reached on 571-272-6790. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

18. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Paul Danneman/

Examiner, Art Unit 3627

10 November 2008

/F. Ryan Zeender/

Supervisory Patent Examiner, Art Unit 3627